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Ministry of
Energy and Mines

Performance Report 2000/2001

Ministry of Energy and Mines

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Honourable Garde Gardom
Lieutenant-Governor
Province of British Columbia

May It Please Your Honour:

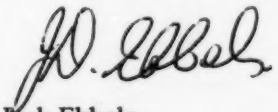
I respectfully submit the annual report of the Ministry of Energy and Mines' activities under the previous administration for the period of April 1, 2000, to March 31, 2001.

Honourable Richard Neufeld
Minister of Energy and Mines

Honourable Richard Neufeld
Minister of Energy and Mines

Dear Minister:

I respectfully submit the annual report of the Ministry of Energy and Mines for the period of April 1, 2000, to March 31, 2001.



Jack Ebbels
Deputy Minister
Ministry of Energy and Mines

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Introduction

Introduction

The past year has seen unprecedented growth in the development of oil and gas resources in the province. This development has provided significant benefits to all British Columbians, including direct and indirect employment opportunities, and growing government revenues required to provide health, education and other important services. However, despite a modest increase in exploration expenditures over the past year, the mining sector continues to face significant challenges. The Ministry of Energy and Mines will renew efforts to revitalize this important sector of the economy.

The Ministry of Energy and Mines plays an important role in ensuring the long-term growth and sustainability of the province's energy and mineral sectors. This performance report outlines how the ministry capitalized on opportunities that support investment and job creation in these important resource sectors. The report supports the ministry's goal of serving as a catalyst and facilitator for the responsible development of the province's energy and mineral resources, in a manner that is consistent with its legislated responsibilities.

This report provides clearly defined objectives and key, measurable targets in support of the objectives.

A. Strategic Context

1. Vision

The Ministry of Energy and Mines serves as the catalyst and facilitator for the development of thriving, sustainable and competitive energy and mineral resource industries for the benefit of all British Columbians.

2. Mission

The Ministry of Energy and Mines promotes a competitive investment climate which encourages responsible development of energy and mineral resources, supports job creation, and ensures environmental protection and public and worker health and safety. The ministry also collects revenues generated by the development of those resources.

The core business of the Ministry of Energy and Mines comprises the following activities:

- managing the disposition of mineral and petroleum rights;
- maximizing the responsible development of British Columbia's energy and mineral resources;
- enhancing B.C's position as a key player in global energy and mineral sectors;
- implementing regulations to protect public and worker health and safety, and the environment;
- assessing, levying, and collecting revenue; and
- providing policy, legislation, land use and geoscience advice and support for the foregoing activities.

The Minister of Energy and Mines is also responsible for the Oil and Gas Commission, which submits its own Performance Plans.

3. Core Values/Principles

The following values and principles guide how the Ministry of Energy and Mines delivers its mandated responsibilities:

• advocacy	• The ministry maintains and enforces high-quality health, safety and environmental standards. • The ministry represents the interests of the energy and mineral sectors to broader stakeholder groups and assists those sectors' responsible development. • The ministry informs the government, industry and citizens of the province of the benefits of responsible resource development.
• integrity	• The ministry is committed to protecting health, safety and the environment and to ensuring the province's mineral and energy resources are developed in a fair and responsible manner.
• transparency	• The ministry ensures its regulations and processes are equitably applied in fair and open processes that are adequately communicated to its stakeholders and the general public.
• responsiveness	• The ministry responds to the needs of its stakeholders in a timely and effective manner.

4. Highlights:

The ministry was involved in numerous projects during the 2000/01 fiscal year. Here are the highlights and major accomplishments:

- Negotiated five First Nations interim measures agreements and provided over $950,000 to support First Nations activities. These interim measures agreements enhance aboriginal participation in the oil and gas and mining industries by undertaking economic development initiatives, providing First Nations access to training and education programs, industry forums and increasing capacity for balancing land use interests.

- Set a new revenue record for annual sales of oil and gas rights of $418 million.

- Participated with other agencies in the Job Protection Commission's plan to keep the Endako Mine viable through periods of low commodity prices. The Endako Mine is located near Fraser Lake and employs 200 people.

- Delivered a process for compensating the holders of mineral tenures expropriated by the creation of parks prior to the passage of the Mining Rights Compensation Regulation and used the process to negotiate nine settlements.

- Carried out pre-tenure planning work in special management zones in the northeast regions to facilitate oil and gas exploration.

- Developed marginal well royalty rates.

- Negotiated revised Memoranda of Understanding with four B.C.-based Treaty 8 First Nations to increase certainty for the oil and gas industry in northeastern B.C. while respecting the First Nations' treaty rights.

- Facilitated the formation of the mining industry working group "Mining Aboriginal Relations Group". This industry group is comprised of individual industry representatives, the B.C. and Yukon Chamber of Mines and the B.C. Mining Association and is committed to developing and implementing cross-cultural initiatives to build and maintain effective relations with First Nations communities.

- Commenced elimination of certain applications of the compressor fuel tax.

- Enhanced royalty allowance to encourage infrastructure development in B.C.

- Enabled the start-up construction of Ashcroft Quarry, which will employ 45-60 people when under full production.

- Issued a permit for Tulameen Coal for up to 100,000 tonnes/year, enabling the removal of forest cover in 2000 to allow coal production in 2001.

- Initiated a major new geological survey under the auspices of the National Mapping Program (NATMAP).

- Delivered a workshop on Eskay Creek-type deposits in co-operation with the Mining Exploration Group and the B.C. and Yukon Chamber of Mines to 80 participants.
- Continued to make improvements to the Mineral Titles Internet site, which receives approximately 500 visitors per week.
- Produced a brochure on "Special Management Zones and the Mineral Sector" to provide accurate information on this topic.
- Developed with the Geological Survey of Canada, a five-year "Minerals Geoscience Plan for B.C.", in consultation with industry. This plan will guide future geoscience activities and attract exploration investment to British Columbia.

MINISTRY OF ENERGY AND MINES
2000/01 REPORT ON RESOURCES

- unaudited
2001/05/23

PROGRAM	Operating Budget 2000/2001 ESTIMATE	YTD ACTUALS	YEAR-END VARIANCE	FTEs 2001/2001 ESTIMATE	ACTUALS	VARIANCE	Revenue ESTIMATE	ACTUALS (Revised Forecast)	VARIANCE
Vote 27 - Ministry Operations									
MINISTER'S OFFICE	370,000	368,474	1,526	5	6.03	-1.03			
CORPORATE SERVICES	8,153,000	8,148,096	4,904	25.5	29.98	-4.48			
ENERGY AND MINERALS	17,449,000	17,151,032	297,968	198.5	189.36	9.14	(224,880,000)	(482,320,000)	257,440,000
RESOURCE DEVELOPMENT	9,863,000	9,852,443	10,557	54	55.38	-1.38	(447,120,000)	(1,355,300,000)	908,180,000
Total - Ministry Operations	**35,835,000**	**35,520,045**	**314,955**	**283**	**280.75**	**2.25**	**(672,000,000)**	**(1,837,620,000)**	**1,165,620,000**
Vote 28									
Resource Revenue Sharing Agreement	**1,200,000**	**1,200,000**	**0**						
Special Account									
Vancouver Island Natural Gas Pipeline	**1,000,000**	**815,300.0**	**184,700**						
MINISTRY TOTALS	**38,035,000**	**37,535,345**	**499,655**	**283**	**280.75**	**2.25**	**(672,000,000)**	**(1,837,620,000)**	

Transfer to Finance: $2,134,000 and 8 FTEs deducted from the Corporate Services budget for BC/Alcan administration and the Northern Development Commission. The Northern Development Fund also transferred to Finance as part of government reorganization.

MINISTRY OF ENERGY AND MINES
2000/01 REPORT ON RESOURCES

- unaudited
2001/05/23

Operating Budget

PROGRAM	2000/2001 BUDGET	YTD ACTUALS	Statutory/ Contingencies	YEAR-END VARIANCE
Vote 27 - Ministry Operations				
MINISTER'S OFFICE	370,000	368,474		1,526
Deputy Minister's Office	456,000	598,893		(142,893)
Communications	479,000	375,133		103,867
Administration	2,686,000	3,583,932		(897,932)
BC/Alcan Administration				0
Northern Development Commission		288		(288)
Oil and Gas Initiative 2	4,477,000	3,589,850		887,150
Sub Total CORPORATE SERVICES	8,098,000	8,148,096		(50,096)
ADM's Office, Energy & Minerals	922,830	1,109,389		(186,559)
Aggregate Advisory		82,072		(82,072)
CIDA Peru		194		
Mineral Compensation	2,347,000	992,773		1,354,227
Mines	6,873,276	6,814,405		58,871
Mineral Titles	1,940,000	1,854,595		85,405
Geological Survey	3,995,146	4,097,330		(102,184)
Prospectors Assistance	500,000	500,608		(608)
Petroleum Lands	1,392,097	1,298,837		93,260
Mediation and Arbitration	123,651	111,861		11,790
Resource Roads	300,000	288,969		11,031
Sub Total ENERGY AND MINERALS	18,394,000	17,151,033		1,243,161
ADM's Office, Resource Development	335,000	432,852		(97,852)
VIGAS Royalty/Squamish Gas	4,750,000	21,683,950	16,933,950	0
Climate Change		235,204		(235,204)
Resource Revenue	1,730,000	1,839,651		(109,651)
Minerals, Oil and Gas	1,071,000	1,128,891		(57,891)
Environment and Land Use	246,000	278,119		(32,119)
Aboriginal Relations	841,000	831,242		9,758
Aboriginal Economic Initiatives Office		356,685		(356,685)
Sub Total RESOURCE DEVELOPMENT	8,973,000	26,786,594	16,933,950	(879,644)
Total - Ministry Operations				
Vote 28				
RES REV SHARING AGREEMENT	**1,200,000**	**2,790,099**	**1,590,099**	**0**
Special Accounts				
NORTHERN DEVT FUND				
VIGAS	1,000,000	815,300		184,700
Total-Special Accounts	**1,000,000**	**815,300**	**0**	**184,700**
MINISTRY TOTAL	**38,035,000**	**56,059,596**	**18,524,049**	**499,647**

C. Performance Measures

Performance Measures:

A performance measure can be used to indicate the degree of success a ministry has in achieving its goals and objectives.

The performance plan measures are integrated into Section D. "Performance Plan: Details and Measures in Support of Each Objective".

This section looks at the business plan objectives in more detail and highlights the specific activities that will be employed to deliver each objective.

Strategic Outcome: To responsibly increase Oil and Gas activity

Objective #1 - To ensure the conditions and incentives exist to responsibly grow the oil and gas sector

Targets for 2000/2001:

- All Oil and Gas Initiative II (OGI II) initiatives implemented by March 31, 2001
- Meet or exceed 1999/00 activity levels, investment and revenues
- Prepare for sale of oil and gas rights in one pre-tenured area

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
Implement Oil and Gas Initiative (OGI) II:				
• Road Rehabilitation	• Protocol agreement with Transportation Financing Authority • Road recommend-ations developed and accepted	• Road rehabilitation work commences summer 2000	• Protocol agreement in place • Road recommendations accepted • First year rehabilitation program completed on schedule and on budget	
• Royalty Changes	• New royalty recommendations in place	• Reactivated wells – marginal wells producing better • More streamlined reporting for industry including electronic filing	• Marginal well royalty rates in place • New forms and procedures for gas royalties developed with industry • Electronic filing of Change of Well Status reports introduced in Jan. 2001	• Too early to determine impact • Industry software providers not prepared to implement changes until April 2001
• Pre-tenure Planning	• Wildlife inventory started	• Quality wildlife indicators and data collection methods developed	• Inventory complete and planning underway in one special management zone in the Muskwa-Kechika. • Commenced data collection for pre-tenure planning in remainder of Muskwa-Kechika special management zones that have oil and gas potential	

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Sierra – Yoyo - Desan road admininstration	• Fee structure review	• Elimination of payment disputes	• New fees announced. No current payment disputes. General fee review conducted	
• Build elements for Oil and Gas Initiative 3	• List of initiatives developed with stakeholders (e.g. CAPP and Westcoast Energy)	• Work plan for 2001/02	• New initiatives developed. Significant new resources approved by Treasury Board	

Strategic Outcome: To responsibly increase Oil and Gas activity

Objective #2 – To enhance the development and utilization of British Columbia based service companies providing benefits to the local economies

Targets for 2000/2001:

- Market share increase of 10 per cent for local service sector
- Formal meeting with key stakeholders at least twice per year
- Public communication plan in place

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Result Achieved**	**Not Achieved (Reason)**
• Address Treaty 8 issues	• Agreements with key stakeholders	• Greater certainty of approved timelines	• Negotiated revised Treaty 8 Memorandums of Understanding which are expected to provide for improved consultation regarding oil and gas activity	
• Strengthen relationship with industry and other stakeholders	• Regular forums, open communications	• Stronger relationships through expanded formal network and interaction with the Ministry, environmental groups, industry groups, local residents, municipalities	• Continued meetings with the Canadian Association of Petroleum Producers and individual companies • Communication protocol established with Westcoast	
• Identify and quantify the benefits of the oil and gas sector provided to the local and provincial economies	• Socio-economic study and inventory of data sources	• Identification of areas of concerns and opportunities • Up to date, accurate input for communications strategies • Understanding of local issues and concerns	• Worked with local governments in Northeast B.C. to develop terms of reference for study	• Study not complete due to difficulty hiring senior analyst

• Track results of implemented changes	• A clear process to evaluate industry activity indicators	• Revision, continuation, elimination, fine-tuning of initiatives	• OGI I and II results assessed and included in Treasury Board submission	
• Promote capabilities of local service sector as well as Ministry initiatives	• Information letters, web site development, liaison between producers and service sector	• Maximization of the use of the local service sector by producers, more competitive industry	• OGI Web site developed and published. Ads taken out in service sector publications. Industry workshops conducted. Participated in Oil and Gas week and World Petroleum Congress	

Strategic Outcome: To responsibly increase Oil and Gas activity

Objective #3 - To position British Columbia as the gateway and service provider of choice to the supply basins north of the 60th parallel

Targets for 2000/2001:

- MOU with NWT; maintain MOU with Yukon.
- Situational analysis and initial evaluation of project options.
- Streamline regulation of inter-jurisdiction pipeline projects.

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Develop and sustain relationships with Alaska, NWT, Yukon, and others in order to obtain optimal benefits for British Columbia from possible Arctic gas projects • Have aboriginal alliances and specific protocols where British Columbia has specific interest • Identify and have in place key promoting activities, including regulatory streamlining	• Complete MOU with the NWT and reinforce existing MOU with Yukon • Protocols in place • Streamline regulation of industry activity: 1. Co-ordination of regulations including among agencies in British Columbia e.g. harmonized stream crossing guidelines 2. Advance the work of the federal/ provincial task force on Improving the Efficiency of Pipeline Regulation 3. Assist in establishing and participate in a federal/provincial/territorial working group to exchange information and problem solve on Arctic gas projects	• Increased activity and interest in projects with benefits to British Columbia, including consideration of pipeline routing through British Columbia	• MOU with NWT completed and MOU with Yukon renewed for five more years. Will seek mirror mineral, oil and gas subagreements • Work of Task Force on Pipeline Regulation advanced per direction from Council of Energy Ministers • Negotiated Kaska Dena Interim Measures Agreement to facilitate consultation and economic development	

Strategic Outcome: To responsibly increase Oil and Gas activity

Objective #4 - To continue to explore potential for development of new resources

Targets for 2000/2001:

- Prioritised work plan for new hydrocarbon supply sources, and gas and energy efficiency/management

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Results**	**Not Achieved (Reason)**
• To identify the potential of new supply sources • To identify requirements for the development of new resources	• Policy decisions regarding: ⇒ whether and under what terms and conditions new sources of hydrocarbons will be developed, and ⇒ energy efficiency programs to be implemented • Public education and consultation • Priorities established	• Resources and impediments quantified • Stakeholders identified and engaged • Options identified	• Completed oil and gas studies in the Fort St. John, Fernie and Flathead regions • Work commenced on Coalbed methane potential • BC's Climate Change Business Plan leads emission reduction measures that also conserve energy	

Strategic Outcome: Revitalize the Mineral Industry

Objective #1 - To ensure the conditions, incentives and geoscientific information exist to revitalize the mineral industry

Targets for 2000/2001:

- Resolve outstanding Tulsequah Chief mine issues
- Analysis and opportunities for streamlined permitting process
- List of abandoned sites for clean-up
- Approved strategy and implementation plan for provincial resource road de-activation

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Marketing Strategy	• Valid opinion polls (industry and public) • Executive attendance at industry conferences and key industry player meetings • Develop a marketing plan	• More positive perception of mining in British Columbia – both from an industry/ investment and a public perspective • Increased mining/exploration activity		
• Clarify current perceptions (both industry and public) • Create links to investment community	• Public information program, footprint messaging • Exec level meetings with financial institutions, industry players, etc.	• Positive stakeholder feedback		
• Take a leadership role in moving toward a one window, one authority decision strategy	• Identify applicable legislative changes or MOUs with MELP and MOF on streamlined decision making and permitting		• Draft agreement on regulation of contaminated sites completed	
• Abandoned mines strategy	• Develop abandoned mines strategy	• A prioritised list for clean-up of abandoned sites	• Phase one of data base development has been completed	Development of a prioritised list will take another two years as budget for 2001/02 not approved

• Provincial Resource Road Deactivation Strategy	• Stakeholder recommendations on resource road deactivation process.	• Maintain access to land base for exploration activity		
• Tulsequah Chief Mine	• Resolve inter-jurisdictional concerns	• Address impediments to the development of the approved Tulsequah Mine project		• EA project certificate quashed by the courts. EA process for Tulsequah re-convened

Strategic Outcome: Revitalize the Mineral Industry

Objective #2 - To increase British Columbia's market share of exploration expenditures

Targets for 2000/2001:

- 25 per cent increase in exploration expenditures
- 90 per cent of exploration "Notice of Work" applications completed within 30 days
- Completion of planned geological surveys
- Priorize and attend industry conferences and meetings
- Award at least 40 prospector assistance grants

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Consultation and collaboration with industry • Mineral Exploration Code review	• Executive discussions with investors • Revised Mineral Exploration Code	• Increased mineral exploration expenditures • Increase in claims staked • Streamlined process	• 20 per cent increase in exploration spending • 42 per cent increase in number of new titles and 62 per cent increase in number of units staked	• Mining industry requested a hold on the review as lack of activity not sufficient to measure effectiveness of the Code
• Conduct geological surveys in targeted areas to encourage mineral exploration	• Hectares surveyed • Quality of new data		• Over 255,000 ha geologically surveyed and 45 new reports and maps released	
• Marketing of British Columbia at selected regional, national and international trade shows and mining meetings	• Client acceptance • Positive client feedback • Number of follow-up requests for information		• Attended three international trade shows, NWMA-Spokane, Roundup-Vancouver, and PDAC-Toronto • Participated in KEG, Cordilleran Roundup, CIMM Annual Conference and numerous other local events	

• Encourage grassroots prospecting in British Columbia	• Number of grants awarded • Number of grantees successfully completing their prospecting programs • Training programs • Maintain access to land base for exploration activity	• More efficient mineral exploration permitting process. • Increase to prospector's grants • Number of new discoveries • Number of option agreements negotiated by prospectors • Value of exploration stimulated by the grants	• 54 grants awarded, resulting in approximately 2400 prospecting field days and over $300,000 in direct investment by the grantees • "Prospector showcase" initiated at Roundup 2001 to help prospectors promote their finds to mining companies	.

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #1 - To position British Columbia as a good place to do business

Targets for 2000/2001:

- At least three new or enhanced investments in minerals, oil and gas resulting from business climate improvements
- Ten per cent increase in claims over 1999
- Completion of scanning of all reports released from confidential status
- Amendments to Mineral Tenure Act Regulation
- Complete the proposed service enhancements
- Convert 600 mineral title maps to the provincial base map standard

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	Outcome Measures	Achieved Result	Not Achieved (Reason)
• Identify, evaluate and implement policy and program improvements • Communicate British Columbia's business climate to ministry stakeholders	• Work plan to identify, select and implement improvements (use Natural Gas Competitiveness Study, Mining Investment Climate Study, Premiers' summits, business streamlining initiative and further discussions with stakeholders, to identify areas for improvement) • Communication plan in place	• Identifiable examples of new investments that result from improvements in the business climate created by government		
• Effective Mineral Development Office (MDO) within the Vancouver mining community	• Number of client visits to MDO • Number of events organized for clients by MDO • Client feedback	• Number of claims recorded in the MDO • Number of companies that located offices in Vancouver • Number of inquiries for information	• 8,000 new claim units recorded • Over 7,000 visits to the MDO in 2000/01 (15 per cent increase over previous year) • Planned and delivered Round-up, MEG luncheon talks and CIM meetings	• Consolidation in the mining industry in the past year saw mergers and a decline in the number of major companies with office in Vancouver (e.g. Billiton took over and closed the Rio Algom office)

• Identify, evaluate and implement policy and program improvements • Communicate British Columbia's business climate to ministry stakeholders	• Work plan to identify, select and implement improvements (use Natural Gas Competitiveness Study, Mining Investment Climate Study, Premiers' summits, business streamlining initiative and further discussions with stakeholders, to identify areas for improvement) • Communication plan in place	• Identifiable examples of new investments that result from improvements in the business climate created by government		
• Enhance quality and efficiency of delivery of information to clients using advanced technology	• Number of Assessment Reports (AR) scanned and converted to digital format before release to public	• Improved access to ARs for clients	• 76 industry reports scanned and posted to Web site	
• Improve mineral titles map and record systems	• Draft amendment to Mineral Tenure Act Regulation, to set standards for submission of ARs in digital format • Enhance Internet access to mineral title services • Number of title maps converted to provincial resource base mapping standard (TRIM) • Number of Crown-granted mineral claims plotted on title maps • Capability to remotely plot new titles on a provincial map. • Capability to capture and report global positioning coordinates for any mineral title	• Draft amendment to Mineral Tenure Act regulation receives widespread endorsement from industry clients • The number of improvements that provide accurate, timely and complete mineral title data using easily accessible information systems • The number of maps in the province made available for use in exploration, land use planning and treaty settlement	• Added all branch forms to site • Exceeded target of 600 maps converted to provincial standard • Crown Grants vectorized for 80 per cent of B.C. (all areas where surveyor general maps are available) • New tables created to store information	

• Maintain modern, responsive oil and gas tenure system	• Review of legislation and regulations within industry • Create and implement work programs regulations	• Streamlined business practices	• Amended the Petroleum and Natural Gas Act to clarify rules and increase certainty • Work programs regulation drafted with cooperation from industry • Introduced electronic funds transfer to streamline business transactions • Number of tenures administered by the system increased by four per cent	

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #2 - To ensure there is environmental and social integrity in all economic development

Targets for 2000/2001:

- Effective participation by British Columbia in October 2000 Joint Ministers Meeting and National Implementation Strategy on the Kyoto Protocol
- Public understanding of British Columbia's position, initiatives and the role of oil, gas and other energy developments in achieving greenhouse gas reductions
- Federal/provincial/territorial Framework Agreement on Climate Change negotiated
- Successful development of a pilot program in support of green house gas reductions

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Climate Change – oil and particularly gas development can contribute to Canada's greenhouse gas reduction targets	• MEM co-leads with MELP to identify, develop and achieve a British Columbia Climate Change Strategy • Effective participation in the Greenhouse Gas Forum and implementation of initiatives • British Columbia strategy on international issues (e.g. energy exports) • MEM partnerships with Provincial energy ministries to explore opportunities to address climate change risk through joint initiatives	• British Columbia's initiative to reduce greenhouse gas emissions and protect environment integrated into ministry policies and programs	• BC Climate Change action plan completed with MELP (includes joint initiatives)	• Funding for climate change resources frozen • Effective participation in the Greenhouse Gas Forum remains a challenge

• Foster environmental best practices by the producing sector	• Work with the Oil and Gas Commission and MELP to ensure that industry is using environmental best practices • Implementation on the Peace Airshed Initiative jointly with MELP • Communication strategy to inform consumers that British Columbia produced minerals, oil and gas is developed with regard to environmental protection	• Clean air, water and land producing areas • Market acceptance of British Columbia products	• Peace Airshed Initiative draft plan completed	• Airshed initiative not yet implemented.
• Identifying and implementing green economy initiatives in the energy and minerals sectors	• Successful green economy demonstration project	• Net improvement in environmental quality	• Acid Gas Re-injection project with Westcoast	

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #3 - To increase First Nations' access to economic opportunity

Targets for 2000/2001:

- Two agreements with First Nations and industry
- Increase aboriginal participation in mining by 10 per cent

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Identify candidate projects • Ensure corporate support and political will	• Clear criteria in place • Clear process for negotiation and agreement • Agreement in principle with eight First Nations	• Increase certainty for resource development	• Formation of the Aboriginal Mining Relations Group (government and industry) to develop and implement initiatives to increase First Nations' participation in mining • Oil-rig training for 112 aboriginal people in northeast B.C. • Aboriginal teacher training in Mining Assoc. program • Mt. Currie – Miller Creek hydro impact benefits agreement • Facilitated negotiations between trappers (both aboriginal and non-aboriginal) and oil and gas industry to address consultation and compensation issues • Represented ministry and industry interests at treaty tables • Early intervention with regions to mitigate land use conflict and direct action threats by First Nations	

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #4 - To ensure all land use plans support responsible oil, gas, mineral and geothermal activities

Targets for 2000/2001:

- Greater number of plans with acceptable outcomes
- Objectives and strategies in land use plans that promote exploration and development
- Complete the Higher Level Plan delegation authority amendment under the Forest Practices Code of British Columbia Act
- Resource and land use Web site

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Stronger advocacy role for MEM in planning initiatives • Proactive involvement in all land use issues	• Issues clearly identified	• Increased certainty for mineral and oil and gas development	• Provincial subsurface resources representative accepted into Lillooet LRMP table, marking a major step in advocacy for mineral values • All subsurface resource issues are being proactively identified in planning and policy initiatives • Joint leader of Dunlevy Special Management Zone planning process to ensure certainty of access for oil and gas development	• Mackenzie LRMP decision reduced certainty for subsurface resource development • Variable outcomes due to lack of industry participation (mining)

• Effective resource information and analysis for planning processes • Policy development in strategic land use planning • Effective communications	• Papers and presentations on resource values and issues • Policies that address the unique needs of planning for hidden resources • Create and update brochures on resource issues and subsurface land use Web site • Review amendments proposed by other agencies for resource issues and ensure they provide certainty for the subsurface resource sectors	• Broader understanding and appreciation of the subsurface resource sectors • Better integration of oil, gas, mineral and geothermal resource activities with land use plan objectives and strategies • Outreach into national and international industry and other stakeholders • More efficient decision making on resource issues	• Prepared guide to pre-tenure planning, raising awareness of process and principles for oil and gas activities in sensitive areas • Material presented to planning tables has increased understanding of subsurface values • Capacity for map and report generation has increased • Methodology of resource valuation developed • Active involvement in policy initiatives has led to more effective plan implementation and use of legislation (e.g. applicable higher level plans) • Higher level plan amendment authority delegated to MEM regional managers • Produced and updated brochure and Web site on special management and the mineral sector • Subsurface resources on the Vancouver Island Trans Canada Trail brochure prepared • Presentations made at regional and international conferences Proactive involvement in new proposals has promoted consistency with approved land use plans and decision authorities.	

• Land use plan monitoring and implementation	• Active involvement in monitoring implementation of and tracking exploration activity in relation to land use plans	• Ensuring land use plan objectives and strategies support resource development	• Provided technical input for all active LRMP tables • Ensured consideration of high mineral potential zones in determining locations of protected areas • Active involvement of staff in implementation of land use plans • Tracked activity in special management zones to ensure timely and efficient permitting • Review and removal of unnecessary no staking reserves	• Some plan objectives and designations continue to be perceived as deterrents to investment

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #5 – To continue to facilitate and support organizations in the reduction of accidents

Targets for 2000/2001:

- Ten per cent reduction in accidents
- Provide musculoskeletal disorder prevention training to 10 mines
- Organize and participate in annual mine rescue competitions
- Provide training for OHSC committees
- Conduct a minimum of one-hand inspection at each major mine every month
- Certification of supervisors, shift bosses and mine rescue personnel.
- Conduct five detailed site audits

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Ensure necessary programs are in place in the mining industry to continue to improve mine health safety • Development musculoskeletal disorder prevention program for small mines • Conduct mine inspections • Provide training • Development of mine accident management computer system	• Programs in place • Enhanced worker safety at mine sites • Improved information for accident trends	• Reduction in accidents • Reduction in lost time injuries due to musculoskeletal factors • Reduced compensation costs to industry • Rapid response to increasing trends.	• Fatality free fiscal year 2000/01 • Accident frequency stable • Completed frequent mine inspections • Training conducted at Huckleberry and Kemess and training has been conducted at several smaller (gravel) sites • Mine accident management system installed in all regional offices. System refinement ongoing	• Delay in hiring ergonomics professional put mine health safety program behind schedule • Some training will be conducted this year but target of ten mines will not be met

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #6 - To significantly improve the efficiency and effectiveness in tax and royalties

Targets for 2000/2001:

- A three month or less validation period of oil and gas royalties
- Efficient verification of mineral tax returns
- A 40 per cent reduction of errors in tax and royalty reports

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Re-design royalty processes and computer systems	• Revised royalty regulations	• Reduced validation period of oil and gas royalties • Reduction of errors in tax and royalty reports	• Oil royalty validation period has been reduced from 24 months down to 18 months	• Gas royalty validation period has increased from 10 months to 16 months due to Westcoast Energy's adjustments to allocations of residue gas volumes to various production sources for 1999 • Validation of gas volumes was delayed from June to November 2000 while Westcoast completed their adjustments and gas pricing staff determined whether there would be any related adjustments to producer prices • Percentage of reports that had to be corrected increased to 23 per cent in 2000 from 19 per cent in 1999 • A simplified gas royalty report will not be implemented until June 2001 (rather than in 2000 as planned) • The ministry has determined that errors in oil royalty reports are largely due to producers not having all of the information they need when the reports are due

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #7 – To increase value-adding industries utilizing British Columbia produced oil, gas and minerals

Targets for 2000/2001:

- No closures of existing resource processing plants
- Significant interest from investors in developing new processing opportunities

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• To sustain and increase the processing of minerals, oil and gas into higher value products within British Columbia, including production of refined copper, aluminium, chemicals, fertilizers, etc.	• Develop strategy in consultation with MEI to both safeguard existing value-adding industries (oil and gas refining, gold refining, etc.) and prompt development of new opportunities	• Strategy in place		• Strategy not developed due to other, higher priorities

Strategic Outcome: Responsibly maximize the economic and social return on resources

Objective #8 - To create a secure and accessible gravel supply

Targets for 2000/2001:

- Provincial policy regarding permitting and regulation of the aggregate industry

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• A streamlined and efficient permitting process • Complete the aggregate initiative	• Clear Provincial policy • Clear regional resource planning • Simplified fee structure	• Resolution of jurisdictional issues • Provincial aggregate land reserve • To reduce long-term provincial costs for purchase of aggregate for development and maintenance of infrastructure • Reduced public concerns	• Aggregate Panel report is imminent and includes measures to address policy concerns, but not without additional costs and lingering conflicts among stakeholders	

Strategic Outcome: To Have a Responsive, Adaptable and Accountable Organization

Objective #1 - To ensure the Ministry of Energy and Mines staff understand and are aligned with the vision/mission/goals

Targets for 2000/2001:

- To deliver on all business plan targets
- Implement annual three year planning procedures
- Reorganization complete

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Communication Strategy and Executive presentation to each business unit • Develop procedures for ongoing development of annual three year business plans • Align ministry structure to goals	• An ongoing process to review, update and refine strategy and business plans • Review budget preparation and planning cycle to develop planning procedures • Conduct organizational review to identify gaps and overlaps in service and program delivery	• Broad understanding of, and commitment to business plan • Stronger focus on key priorities • Implement planning cycle procedures and responsibilities for ongoing development of annual three year plans • Realigned Ministry structure to ensure resources are allocated to meet objectives	• Established planning cycle procedures for business plan, performance plans and system development	

Strategic Outcome: To Have a Responsive, Adaptable and Accountable Organization

Objective #2 - To manage the use of our resources, partnerships and technology effectively in order to add value and ensure the greatest benefit is realized for the public, the client and ourselves

Targets for 2000/2001:

- Measurable improvement in the use of resources

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULTS	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• Streamline and simplify all processes and systems • To ensure all staff are fully trained and competent and that in total the Ministry has the capacities it requires • Ensure information for decision making is available throughout the organization • Joint MEM/client review of regulations, policies and information requirements • Identify and implement technology solutions	• Conduct review of knowledge, information and technology requirements • Training plan • Continue or establish new links with clients and stakeholder groups	• Greater efficiency and effectiveness in day-to-day operations • Commitment to continuous learning and education • Greater personal satisfaction and sense of contribution of all staff • Survey clients/ stakeholders to determine scope for enhancing programs/service delivery	• Achieved efficiency in oil and gas rights' bid handling through implementation of electronic funds transfer • A variety of training took place: geological professional development courses; computer skills; financial training; mine rescue; ergonomics; and retirement planning • Training plans developed and implemented for all petroleum lands staff. Focus was on computer skills and has resulted in staff-developed applications that enhance work performance	

Strategic Outcome: To Have a Responsive, Adaptable and Accountable Organization

Objective #3 - To have a work culture of trust, commitment to teamwork and excellence, and openness to change

Targets for 2000/2001:

- A staff survey that establishes baseline data and identifies areas for improvement

STRATEGIES / ACTIVITIES	PERFORMANCE MEASURES		REALIZED RESULT	
	Output Measures	**Outcome Measures**	**Achieved Result**	**Not Achieved (Reason)**
• To have a work culture focused on: service quality and staff excellence; job satisfaction; job performance; teamwork; and innovation	• Staff surveys for feedback and to establish baseline measures in key areas • Staff performance evaluations • Staff complete annual professional development plans	• More staff input into higher level decision making • Focus on team-building and teamwork		• Survey not conducted

Link to Government Priorities

The following table links the Ministry's priorities to the government's priorities and the ministry goals.

Government Priorities	Ministry Key Priorities
• Education	• Royalties and other revenue collected by the ministry support education programs • Improve efficiency and effectiveness of tax and royalty collection
• Healthcare (protecting health)	• Royalties and other revenue collected by the ministry support health and healthcare • Improve efficiency and effectiveness of tax and royalty collection • Ensure development proceeds with environmental integrity • Ensure programs are in place that contribute to a reduction in the number of industrial accidents
• Family and Communities (including working families and healthy communities)	• Strengthening the economy, especially in resource regions • Continued commitment to strong relationships between local residents, municipalities, the province and the energy and mineral industries • Continued commitment to strong relationships between First Nations, the province and the energy and mineral industries • Creating a secure and accessible gravel supply (for road/highway development)

Continued...

Government Priorities	Ministry Key Priorities
• Stronger economy for British Columbia with emphasis on:	
• Investing in education and training	• Ensure ministry staff have the skills and capabilities to deliver on the business plan
• Fuelling growth and innovation	• Increase First Nation's access to economic opportunities • Manage resources to add value and ensure the greatest benefit to British Columbia residents • Streamlining regulations and administration to enhance industry competitiveness • Improving the investment climate in British Columbia
• British Columbia's resource strength	• Ensure the conditions exist to responsibly grow oil, gas and mineral industries • Increase exploration and production activities • Position British Columbia as the gateway to the future Canadian supply basin • Continue to explore opportunities for development of new resources • Increase British Columbia's market share of exploration expenditures
• Environment: • Building the green economy	• Address greenhouse gas emissions • Ensure environmental integrity in energy and mineral resource development • Ensure land use plans support responsible mineral activities • Clean up old mine sites

Glossary of Performance Related Terms

Annual performance report:	A ministry document, required by the *Budget Transparency and Accountability Act* (BTAA), to be tabled in the Legislature by June 30 every year. This report may contain information normally found in a traditional annual report, with the additional requirement that a ministry's performance in meeting its goals and targets is emphasized in the document. The document must link directly back to the ministry's performance plan. The annual performance report for 2000/01 will be the first iteration to replace the traditional annual report style.
Business area:	A set of key activities or programs or budget areas related to the purpose, role and mandate of the ministry. Most ministries will have three-to-five key business or program areas; larger ministries may have more.
Efficiency measure:	Measuring the relationship between the amount of input (usually dollars or employee-years) and the amount of output or outcome of an activity or program.
Full-time equivalent:	The equivalent of one person working 1,827 hours in one year.
Goal:	Goals are the long-term ends that the ministry (or a business or program area) wants to achieve in fulfilling its mandate and mission. Goals must be realistic and achievable.
Input measure:	A measure of the amount of resources (dollars and FTEs) used to undertake a function.
Mission:	The reason for the ministry's existence. The statement identifies what the ministry does, why it does it, and for whom. It also reminds the public and other government entities of the unique purposes promoted and served by the ministry. The ministry's goals, objectives and strategies must be consistent with its mission statement.
Objectives:	Objectives are concise, realistic, results-oriented statements of what a ministry or program achieves in the short-term on the way to accomplishing its goals. Objectives must be stated in a way that clearly communicates what is to be achieved and measured or assessed, and by when.

Outcome measure:	Measuring the results and consequences or changes in conditions, behaviours or attitudes that indicate progress in achieving a program's or ministry's mission and goals. Outcomes may be immediate, ultimate, or somewhere in-between.
Output measure:	A measure of the level of service provided by a program (i.e., what and how much came out of a program or service). The measurable unit can be a number, percentage or ratio.
Performance measure:	A performance measure (sometimes referred to as an indicator) can be used to indicate the degree of success a ministry has in achieving its goals and objectives. When a measure has a specific numeric value attached to one aspect of the performance under consideration, it is then typically referred to as a performance indicator.
Performance plan:	A plan that describes a ministry's purpose or mission, its direction or vision, its goals and objectives, the operational strategies it will use to achieve those objectives, and how it will know if it has been successful (i.e., through the use of performance measures and targets).
Performance target:	Targets express pre-set, quantifiable performance levels to be attained at a future date.
Program:	A set of activities with clearly defined, dedicated resources and measurable objectives that are coherent and consistent.
Result:	A consequence, issue or outcome of an action or series of actions. Often used synonymously with "outcome" and/or "output."
Strategic context:	The strategic context of a performance plan provides high-level information that describes where a ministry is now. It usually includes a ministry's vision, mission, values and environmental scan.
Strategic plan:	The high-level, government-wide corporate document that outlines the government's vision, mission, values and key priorities for the medium to long term.
Strategies:	Strategies are the actions that describe how objectives are to be achieved. Other terms used to describe strategies are programs, projects, initiatives and activities, among others.
Values:	The value statement expresses a ministry's core values or fundamental beliefs. Values define the ministry's management style, organizational values, and code of conduct for personal and organizational behaviour.
Vision:	A clear and compelling picture of a ministry's preferred future; where the ministry is going, and where it wants to be. This vision must be sufficiently desirable and challenging to motivate and inspire ministry employees and influence decision-making.

Ministry of Energy, Mines and Petroleum Resources Legislation

1. B.C. Railway Finance Act
2. Coal Act
3. Fort Nelson Indian Reserve Minerals Revenue Sharing Act (obsolete but still required)
4. Gas Utility Act
5. Geothermal Resources Act
6. Indian Reserve Mineral Resource Act (obsolete but still required)
7. Mineral Land Tax Act
8. Mineral Tax Act
9. Mineral Tenure Act
10. Mines Act
11. Mining Right of Way Act
12. Mining Rights Amendment Act
13. Ministry of Energy, Mines and Petroleum Resources Act
14. Natural Gas Price Act
15. Oil and Gas Commission Act
16. Petroleum and Natural Gas Act
17. Petroleum and Natural Gas (Vancouver Island Railway Lands) Act
18. Pipeline Act
19. Vancouver Island Natural Gas Pipeline Act

* Not included in transfer of legislation to the Ministry of Finance November 2000

Corporate Services

Under an agreement, the Ministry of Employment and Investment provides some executive support services to the Ministry of Energy and Mines. These services include support for the deputy minister's office and communications division, as well as administrative support services for the ministry. Grants and contributions are provided in support of ministry initiatives.

Management Services Division

Services the needs of the ministry's management and staff in the areas of finance, personnel, information systems, records management, information and privacy, and employment equity.

Communications Division

Provides all communications, media and public relations, issues management and marketing services for the ministry.

Oil and Gas Initiatives Branch

The Oil and Gas Initiatives Branch was created in April 2000 to promote the development and growth of the oil and gas industry in British Columbia. Initiatives include facilitating investment, encouraging producers to utilize local service companies, overseeing a 5 year public road rehabilitation program, developing a coal bed methane regulatory and fiscal regime and various other initiatives designed to maximize the return to the province and its people from the oil and gas industry.

Resource Development Division

The Resource Development Division provides evaluation, strategic planning and policy development with regard to the Province's energy and mineral resources, including:

- the determination, assessment and collection of royalties, taxes, levies and fees on subsurface resources and developments;
- environmental, socio-economic and financial assessments of resource developments and resource/land use options;
- collection and dissemination of statistics, analysis and forecasting of market conditions, promotion and marketing of Provincial resource potential
- identification and development of government policies and programs affecting the energy and mineral resource sectors; and

- administration of First Nation revenue sharing agreements and the Vancouver Island Natural Gas Pipeline Agreement.

Government transfers are provided for the Vancouver Island Natural Gas Pipeline Agreement.

Energy and Minerals Division

Resources Management – maintains an inventory of mineral, coal and geothermal reserves and resources in BC; maintains databases, surveys, and library of industry assessment reports, conducts geological and geochemical surveys to identify areas and geologic environments favourable for mineral discoveries, administers and disposes of petroleum, natural gas and geothermal resource rights; maintains a title registry; collects fees, rentals and tender bonuses; administers title to the mineral and coal resources of the province; and negotiates fair compensation for mineral and coal titles expropriated under the Park Act. Provides grants and contributions for resource studies and projects.

Regulation, Inspection and Enforcement - administers provincial legislation, regulations and guidelines relating to exploration, production and reclamation activities of the coal, geothermal and mining industries to ensure safe operations, environmental responsibility, and prudent resource management.

Exploration - provides training support and grants to prospectors to support grassroots mineral exploration; provides information and facilitates technology transfer to mineral industry; and promotes exploration investment in B.C.

International Cooperation - provides for resource management information and technology transfer to Peru on a cost recovery basis through a contract with the Canadian International Development Agency (CIDA).

Land Use and Aboriginal Relations Division

Aboriginal Relations - supports revenue generation by promoting business relations between First Nations and the mining and oil and gas industries and by encouraging aboriginal participation in the industry; negotiates and implements protocols and memorandums of understanding with First Nations relating to Ministry responsibilities; supports negotiations between industry and First Nations for joint ventures and other agreements; develops and implements employment and training initiatives; and develops ministry policy relating to aboriginal relations.

Environment and Land Use - develops policies and strategies for mineral land use planning, including related legislative proposals; analyzes and disseminates mineral resource data for planning and policy issues; monitors implementation of land use plans and policies; supports Ministry regional staff; and coordinates Ministry involvement in provincial environmental assessment policies and procedures.

Resource Revenue Sharing Agreement

Provides for agreements reached with First Nations to share revenue received from petroleum, natural gas and minerals extraction. Provision is made for payments made in accordance with the federal/provincial agreement, as specified under the *Fort Nelson Indian Reserve Minerals Revenue Sharing Act*, and agreements with other First Nations.

Clean Choice Program

This account was created by authority of the *Vancouver Island Natural Gas Pipeline Act*. Of the original $80,000,000 authorized for this account, $25,000,000 was disbursed as loans in 1990/91 and 1991/92 for capital construction of the pipeline to Vancouver Island. No loan repayments are expected in 2001/02. The balance of the account is for the provision of financial assistance for the conversion of oil, propane and other fuel-fired appliances to the use of natural gas. Expenses consist of government transfers to persons that have applied and qualified for financial assistance. No interest or other revenue is credited to the account. Administration costs are funded through the Ministry Operations Vote. No financing transactions are provided for under this account.